

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 32 – SB 1152

April 8, 2013

SUMMARY OF ORIGINAL BILL: Creates a new memorial license plate to honor Legion of Valor Members. Legion of Valor members are recipients of a Congressional Medal of Honor, the Distinguished Service Cross, the Navy Cross, or the Air Force Cross. Specifies instructions for how the proposed plate is to appear and requires the state to provide and issue the plate free of charge.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$11,600/One-Time

SUMMARY OF AMENDMENT (006437): Deletes all language after the enacting clause. Removes the "Air Medal" and "Congressional Medal of Honor" from the list of medal recipients authorized to receive free memorial license plates. Provides language that would require veteran applicants for certain license plates to provide certain information pertaining to their discharge or issuance of medal. Establishes a new free license plate for "Congressional Medal of Honor" recipients. Authorizes individuals that already have an "Air Medal" plate to continue to use such plate and to have one additional free registration. All subsequent registrations will require the standard fee for such plates.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue –

\$3,200/Department of Revenue/FY14-15
\$12,900/Arts Commission/FY14-15 and Subsequent Years
\$3,200/Highway Fund/FY14-15 and Subsequent Years

Increase State Expenditures - \$3,200/Department of Revenue/FY14-15

Assumptions for the bill as amended:

- Memorial type license plates are issued for free.
- Military plates carry an initial fee of \$25.75 and an annual renewal fee of \$21.50.

- Approximately 750 “Air Medal” plates that are issued free-of-charge under current law will be issued for \$25.75 in the first year and \$21.50 in subsequent years as a result of this bill.
- All “Air Medal” plates will be renewed and paid for beginning in FY14-15.
- A cost of production of \$4.25 per plate.
- All “Air Medal” plate purchasers will be required to pay the \$4.25 production cost for plates beginning in FY14-15.
- The one-time increase in state revenue to the Department of Revenue (DOR) for reimbursement for production of the “Air Medal” plates is estimated to be approximately \$3,200 ($\4.25×750).
- The one-time increase in state expenditures to the DOR for production of the “Air Medal” plates is estimated to be approximately \$3,200 ($\4.25×750).
- All license plate fee revenue, after the DOR deduction for expenses will be apportioned 80 percent to the Arts Commission and 20 percent to the Highway Fund.
- The recurring increase in state revenue is estimated to be approximately \$16,100 ($\21.50×750).
- The recurring increase in state revenue to the Arts Commission, beginning in FY14-15, is estimated to be approximately \$12,900 ($\$16,100 \times 80\%$).
- The recurring increase in state revenue to the Highway Fund, beginning in FY14-15, is estimated to be approximately \$3,200 ($\$16,100 \times 20\%$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/cce